

Edgar Filing: LIBERTY CORP - Form 10-Q

LIBERTY CORP
Form 10-Q
August 09, 2001
1

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2001

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-5846

THE LIBERTY CORPORATION

(Exact name of registrant as specified in its charter)

South Carolina
(State or other jurisdiction of
incorporation or organization)

57-0507055
(IRS Employer
identification No.)

Post Office Box 789, Wade Hampton Boulevard, Greenville, SC 29602

(Address of principal executive offices)

Registrant's telephone number, including area code: 864/609-8256

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the Registrant's classes of common stock as of the latest practicable date.

Title of each class -----	Number of shares Outstanding as of June 30, 2001 -----
Common Stock	19,575,393

Edgar Filing: LIBERTY CORP - Form 10-Q

(In 000's)

JUNE 30,
2001

ASSETS

(Unaudited)

Current assets:

Cash and cash equivalents	\$	21,608
Receivables (net of allowance for doubtful accounts)		38,371
Program rights		3,681
Prepaid and other current assets		3,389
Deferred income taxes		8,656

Total current assets		75,705
----------------------	--	--------

Property Plant and Equipment

Land		5,494
Buildings and improvements		34,164
Furniture and equipment		154,331
Less: Accumulated depreciation		(108,154)

85,835

Intangibles (net of accumulated amortization)

495,256

Other assets

45,953

Total assets	\$	702,749
--------------	----	---------

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses	\$	17,209
Program contract obligations		3,472
Accrued income taxes		2,468

Total current liabilities		23,149
---------------------------	--	--------

Deferred income taxes

91,498

Other liabilities

9,362

Total liabilities

124,009

Shareholders' Equity

Common Stock		98,733
Unearned Stock Compensation		(4,135)
Retained Earnings		484,194
Unrealized Investment Gains		(52)

Total Shareholders' Equity		578,740
----------------------------	--	---------

Total Liabilities and Shareholders' Equity	\$	702,749
--	----	---------

Edgar Filing: LIBERTY CORP - Form 10-Q

See Notes to Consolidated and Condensed Financial Statements.

2

3

THE LIBERTY CORPORATION AND SUBSIDIARIES CONSOLIDATED AND CONDENSED STATEMENTS OF OPERATIONS

(In 000's, except per share data)	Three Months ended June 30,	
	2001	2000
		(Unaudited)
REVENUES		
Station revenues (net of commissions)	\$ 44,727	\$ 40,683
Cable advertising and other revenues	3,227	3,342
	47,954	44,025
EXPENSES		
Operating expenses	26,098	23,112
Amortization of program rights	1,976	1,566
Depreciation and amortization of intangibles	7,431	4,933
Corporate, general, and administrative expenses	3,216	2,677
	38,721	32,288
OPERATING INCOME	9,233	11,737
Net investment income	2,509	560
Interest expense	--	4,896
	11,742	7,401
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		
Provision for income taxes	4,462	2,989
	7,280	4,412
INCOME FROM CONTINUING OPERATIONS		
Income from discontinued operations (net of taxes)	--	10,978
	7,280	15,390
NET INCOME	\$ 7,280	\$ 15,390
EARNINGS PER SHARE:		
Basic earnings per common share from continuing operations	\$0.37	\$0.22
Basic earnings per common share from discontinued operations	--	0.57
	\$0.37	\$0.79
Basic earnings per common share		
Diluted earnings per common share from continuing operations	\$0.37	\$0.22
Diluted earnings per common share from discontinued operations	--	0.56
	\$0.37	\$0.78

Edgar Filing: LIBERTY CORP - Form 10-Q

Diluted earnings per common share	\$0.37	\$0.78
Dividends Per Common Share	\$0.22	\$0.22

See Notes to Consolidated and Condensed Financial Statements.

3

4

THE LIBERTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED AND CONDENSED STATEMENTS OF CASH FLOWS

(In 000's)	Six Months ----- 2001 -----
OPERATING ACTIVITIES	
Net Income	\$ 11,5
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Gain on sale of operating assets	
Realized investment (gains) losses	(1,4
Depreciation	8,8
Amortization of intangibles	6,4
Amortization of program rights	3,9
Cash paid for program rights	(3,9
Provision for deferred income taxes	5,1
Changes in operating assets and liabilities:	
Receivables	2,1
Other assets	45,4
Accounts payable and accrued expenses	(51,3
Accrued income taxes	(135,8
Other liabilities	(4
All other operating activities, net	(6
Net cash (used in) provided by operating activities of discontinued operations	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	----- (109,9
INVESTMENT ACTIVITIES	
Purchase of property and equipment	(5,6
Net cash paid for purchase of television stations	
Investment securities sold	1,2
Investment securities acquired	
Proceeds from sale of investment properties	8
Other (net)	
Net cash provided by (used in) investing activities of discontinued operations	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	----- (3,5
FINANCING ACTIVITIES	
Proceeds from borrowings	
Principal payments on debt	
Dividends paid	(8,6
Stock issued for employee benefit and compensation programs	4,4

Edgar Filing: LIBERTY CORP - Form 10-Q

Repurchase of common stock	(9,6
Net cash provided by financing activities of discontinued operations	-----
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(13,8
(DECREASE) INCREASE IN CASH	(127,3
Cash at beginning of period	149,0
CASH AT END OF PERIOD	\$ 21,6

See Notes to Consolidated and Condensed Financial Statements.

4

5

THE LIBERTY CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED AND CONDENSED FINANCIAL STATEMENTS
 June 30, 2001
 (Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated and condensed financial statements of The Liberty Corporation and Subsidiaries have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The information included is not necessarily indicative of the annual results that may be expected for the year ended December 31, 2001, but it does reflect all adjustments (which are of a normal and recurring nature) considered, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The December 31, 2000 financial information was derived from the Company's previously filed 2000 Form 10-K. For further information, refer to the consolidated financial statements and footnotes thereto included in The Liberty Corporation annual report on Form 10-K for the year ended December 31, 2000.

Prior to September 29, 2000 the Company was engaged in the insurance industry. On September 29, 2000 the Company's shareholders approved the sale of the Company's insurance operations to the Royal Bank of Canada for \$648 million. The sale closed on November 1, 2000. Accordingly, these entities have been treated as discontinued operations in the accompanying financial statements (see Note 5 below).

2. STATION ACQUISITIONS

On February 29, 2000 the Company completed the acquisition of KCBD, the NBC affiliate in Lubbock, TX in a cash transaction for \$59.8 million. The transaction was accounted for as a purchase, and accordingly, its results of operations are included in the accompanying financial statements since the date of acquisition. This purchase was funded using proceeds from the Company's credit facility.

On December 1, 2000, the Company completed its acquisition of Civic Communications. The agreed upon purchase price for all of the outstanding common stock of Civic Communications was \$204 million. At the time of the

Edgar Filing: LIBERTY CORP - Form 10-Q

closing, the Company agreed to pay a portion of the purchase price at a future date. During the first quarter of 2001 the Company remitted the \$43.2 million of unpaid purchase price to the Civic Communications stockholders. The Company used proceeds from the sale of its insurance operations to fund the transaction. Civic Communications owned and operated WLBT-TV, the NBC affiliate in Jackson, MS, KLTW-TV, the ABC affiliate in Tyler, TX, and KTRE-TV, the satellite affiliate of KLTW in Lufkin, TX.

3. REDEMPTION OF 1995-A SERIES PREFERRED STOCK

On August 25, 2000 the Company completed the redemption of all of the outstanding shares of its Series 1995-A Cumulative Convertible Preferred Stock. Shares were called for redemption at \$35.00 per share plus accrued dividends for the period from July 1, 2000 through the redemption date (September 5, 2000). Prior to the redemption date, all shares of the 1995-A Series were converted in to common stock.

5

6

Notes to Consolidated and Condensed
Financial Statements -- continued

4. COMPREHENSIVE INCOME

The components of comprehensive income, net of related income taxes, for the three-month and six-month periods ended June 30, 2001 and 2000, respectively, are as follows:

	Three Months Ended June 30,		
	2001	2000	
(In 000's)			
Net Income	\$7,280	\$ 15,390	\$
Unrealized gains / (losses) on securities	(369)	(3,474)	
Comprehensive income (loss)	\$6,911	\$ 11,916	\$
	=====	=====	=====

5. DISCONTINUED OPERATIONS

On June 19, 2000, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Royal Bank of Canada ("RBC"), a Canadian-chartered bank, pursuant to which RBC was to acquire from the Company all of the issued and outstanding shares of capital stock of Liberty Life Insurance Company, Liberty Insurance Services Corporation, The Liberty Marketing Corporation, LC Insurance Limited and Liberty Capital Advisors, Inc., for a total of approximately \$648 million, consisting of a dividend from Liberty Life Insurance Company of up to \$70 million and the balance in cash from Royal Bank of Canada. On September 29, 2000 the shareholders of the Company approved the purchase agreement described above. Accordingly, these entities have been treated as discontinued operations in the accompanying financial statements. The

Edgar Filing: LIBERTY CORP - Form 10-Q

transaction closed on November 1, 2000 with Liberty receiving \$567.6 million in net cash proceeds and approximately \$16 million in non-cash assets.

Summarized disclosure of the Company's discontinued operations is as follows:

	THREE MONTHS ENDED JUNE 30,	SIX MONTHS ENDED JUNE 30,
	----- 2000 -----	----- 2000 -----
Revenues	\$ 94,018	\$ 185,864
Expenses	77,498	159,419
	-----	-----
Income before taxes from discontinued operations	16,520	26,445
Income taxes	5,542	7,957
	-----	-----
Income from discontinued operations	\$ 10,978	\$ 18,488
	=====	=====

6

7

Notes to Consolidated and Condensed
Financial Statements -- continued

6. SEGMENT REPORTING

The Company operates primarily in the television broadcasting and cable advertising businesses. The Company currently owns and operates fifteen television stations, primarily in the Southeast and Midwest. Each of the stations is affiliated with a major network, with eight NBC affiliates, five ABC affiliates, and two CBS affiliates. The Company evaluates segment performance based on income before income taxes, excluding unusual, or non-operating items.

The following tables summarize financial information for continuing operations by segment for the three and six-month periods ended 30, 2001 and 2000:

	THREE MONTHS ENDED JUNE 30,	
	----- 2001 -----	----- 2000 -----
REVENUE		
Broadcasting	\$ 44,727	\$ 40,683
Cable advertising	3,086	2,785
Other	141	557
	-----	-----

Edgar Filing: LIBERTY CORP - Form 10-Q

TOTAL REVENUE	\$ 47,954	\$ 44,025	\$
	=====	=====	
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES			
Broadcasting	\$ 9,303	\$ 14,764	\$
Cable advertising	324	243	
Corporate & other	2,115	(7,606)	
	-----	-----	
TOTAL INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	\$ 11,742	\$ 7,401	\$
	=====	=====	

There were no material changes in assets by segment from those disclosed in the Company's 2000 annual report, other than for the corporate and other segment. The corporate and other segment used its cash balances to pay approximately \$135 million of income taxes during the first quarter of 2001. It also remitted the \$43.2 million of unpaid purchase price (included in prepaid and other current assets on the December 31, 2000 balance sheet) that had been held in trust for the Civic Communications stockholders (see Note 2).

7

8

Notes to Consolidated and Condensed
Financial Statements -- continued

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per common share from continuing operations is as follows:

(In 000's except per share data)

	THREE MONTHS ENDED JUNE 30,		
	2001	2000	
	-----	-----	
			(Unaudited)
NUMERATOR - EARNINGS:			
Income from continuing operations	\$ 7,280	\$ 4,412	\$
Preferred dividends	--	(180)	
	-----	-----	
Numerator for basic earnings per common share from continuing operations	\$ 7,280	\$ 4,232	\$
Effect of dilutive securities	--	180	
	-----	-----	
Numerator for diluted earnings per common share from continuing operations	\$ 7,280	\$ 4,412	\$
	=====	=====	
DENOMINATOR - AVERAGE SHARES OUTSTANDING:			
Denominator for basic earnings per common share from continuing operations -			

Edgar Filing: LIBERTY CORP - Form 10-Q

weighted average shares	19,607	19,186
Effect of dilutive securities:		
Preferred stock	--	417
Stock options	95	48
	-----	-----
Denominator for diluted earnings per common share from continuing operations	19,702	19,651
	=====	=====
Basic earnings per common share from continuing operations	\$0.37	\$0.22
Diluted earnings per common share from continuing operations	\$0.37	\$0.22

8. CREDIT FACILITY

On March 21, 2001, the Company entered into a \$100 million unsecured 364-day revolving credit facility with a bank. At the end of the term of the facility any outstanding principal and interest will come due, unless the bank, in its sole discretion, otherwise extends the facility. No draws were made on this line of credit during the first six months of 2001.

9. NEW ACCOUNTING PRONOUNCEMENTS

During the second quarter of 2001 the Financial Accounting Standards Board (FASB) issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement No. 141 requires that the purchase method of accounting be used for business combinations initiated after June 30, 2001. The Company does not believe that Statement No. 141 will have a material effect on its financial statements.

8

9

Notes to Consolidated and Condensed
Financial Statements -- continued

Statement No. 142 requires that goodwill and certain other identified intangibles no longer be amortized to earnings, but instead be reviewed for impairments. The amortization of goodwill and certain other identified intangibles ceases upon adoption of the Statement, which for most companies, will be January 1, 2002. The Company has not yet determined the extent of the effect of Statement No. 142, but believes that it will have a material impact on its financial statements as its reported amortization expense will be significantly reduced in future periods.

10. RECLASSIFICATIONS

Certain reclassifications have been made in the previously reported financial statements to make the prior year amounts comparable to those of the current year.

9

10

Edgar Filing: LIBERTY CORP - Form 10-Q

RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Unaudited)

The Liberty Corporation is a holding company with operations primarily in the television broadcasting industry. The Company's television broadcasting subsidiary, Cosmos Broadcasting, consists of fifteen network-affiliated stations located in the Southeast and Midwest, a cable advertising company, a video production company and a professional broadcast equipment dealership. Eight of the Company's television stations are affiliated with NBC, five with ABC, and two with CBS.

Prior to September 29, 2000 the Company was also engaged in the insurance industry. On September 29, 2000 the Company's shareholders approved the sale of the Company's insurance operations to the Royal Bank of Canada for \$648 million. The sale closed on November 1, 2000. Accordingly, these entities have been treated as discontinued operations in the accompanying financial statements (see Note 5 of the Consolidated and Condensed Financial Statements).

SIGNIFICANT TRANSACTIONS AFFECTING COMPARABILITY BETWEEN PERIODS

On February 29, 2000 the Company completed the acquisition of KCBD, the NBC affiliate in Lubbock, TX in a cash transaction for \$59.8 million. The transaction was accounted for as a purchase, and accordingly, its results of operations are included in the accompanying financial statements since the date of acquisition. This purchase was funded using proceeds from the Company's credit facility.

On August 25, 2000 the Company completed the redemption of all of the outstanding shares of its Series 1995-A Cumulative Convertible Preferred Stock. Shares were called for redemption at \$35.00 per share plus accrued dividends for the period from July 1, 2000 through the Series 1995-A redemption date (September 5, 2000). Prior to the redemption date, all shares of the 1995-A Series were converted in to common stock.

On November 1, 2000, using proceeds from the sale of its insurance operations, the Company repaid its revolving credit facility in full.

On December 1, 2000, the Company completed its acquisition of Civic Communications. The agreed upon purchase price for all of the outstanding common stock of Civic Communications was \$204 million. The Company used proceeds from the sale of its insurance operations to fund the transaction. Civic Communications owned and operated WLBT-TV, the NBC affiliate in Jackson, MS, KLTN-TV, the ABC affiliate in Tyler, TX, and KTRE-TV, the satellite affiliate of KLTN in Lufkin, TX.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2001 COMPARED TO THREE MONTHS ENDED JUNE 30, 2000

Net revenues were \$48.0 million for the second quarter of 2001, an increase of \$4.0 million over the \$44.0 million reported for the second quarter of 2000. On a pro forma basis, as if the Company operated all stations owned at the end of the quarter for the entire period, net revenue decreased eight percent.

Edgar Filing: LIBERTY CORP - Form 10-Q

Operating expenses, which included amortization of program rights, were \$28.1 million for the second quarter of 2001, an increase of \$3.4 million over the \$24.7 million reported for the second quarter of 2000. The increase in operating expense is attributable to the three station acquisitions made during 2000. On a pro forma basis operating expenses decreased two percent.

Depreciation and amortization was \$7.4 million for the second quarter of 2001, an increase of \$2.5 million over the \$4.9 million reported for the second quarter of 2000. The increase in depreciation and amortization expense is directly attributable to the three station acquisitions made during 2000.

Corporate, general, and administrative expenses were \$3.2 million for the second quarter of 2001, an increase of \$0.5 million over the \$2.7 million reported for the second quarter of 2000.

Net investment income was \$2.5 million for the second quarter of 2001, an increase of \$1.9 million over the \$0.6 million reported for the second quarter of 2000. The increase in net investment income is due to realized gains in the Company's equity and real estate portfolios.

The Company incurred no interest expenses during the second quarter of 2001 as it repaid its credit facility in full during the fourth quarter of 2000 using the proceeds from the sale of its insurance operations. The Company reported \$4.9 million of interest expense during the second quarter of 2000.

SIX MONTHS ENDED JUNE 30, 2001 COMPARED TO SIX MONTHS ENDED JUNE 30, 2000

With the exception of net investment income, changes in income statement line items on a year-to-date basis were substantially the same as those on a quarterly basis. Please see the discussion of the three-month periods ended June 30, 2001 and 2000 above for details.

Net revenues were \$90.0 million for the six-month period ended June 30, 2001, an increase of \$9.0 million over the \$81.0 million reported for the six-month period ended June 30, 2000. On a pro forma basis, as if the Company operated all stations owned at June 30, 2001 for the entire period, net revenue decreased seven percent.

Operating expenses, which included amortization of program rights, were \$55.8 million for the six-month period ended June 30, 2001, an increase of \$7.7 million over the \$48.1 million reported for the six-month period ended June 30, 2000. On a pro forma basis, operating expenses were down two percent as compared to the prior-year period.

Depreciation and amortization was \$15.3 million for the six-month period ended June 30, 2001, an increase of \$5.7 million over the \$9.6 million reported for the six-month period ended June 30, 2000.

Corporate, general, and administrative expenses were \$6.1 million for the six-month period ended June 30, 2001, an increase of \$0.7 million over the \$5.4 million reported for the six-month period ended June 30, 2000.

Net investment income was \$5.7 million for the six-month period ended June 30, 2001 a decrease of \$5.6 million from the \$11.3 million reported for the six-month period ended June 30 2000. The decrease in net investment income was due mainly to realized gains from the Company's equity portfolio recognized during the first quarter of 2000 that were not present to the same extent during 2001.

Edgar Filing: LIBERTY CORP - Form 10-Q

Management's Discussions and Analysis continued

The Company incurred no interest expenses during the first six months of 2001 as it repaid its credit facility in full during the fourth quarter of 2000 using the proceeds from the sale of its insurance operations. The Company reported \$8.4 million of interest expense during the six-month period ended June 30, 2000.

CASH FLOW INFORMATION

The Company has included operating cash flow and broadcast cash flow data because management believes that such data are commonly used as measures of performance among companies in the broadcast industry. The Company also believes that these measures are frequently used by investors, analysts, valuation firms, and lenders as some of the important determinants of underlying asset value. Operating cash flow and broadcast cash flow should not be considered in isolation, or as alternatives to operating income (as determined in accordance with generally accepted accounting principles) as an indicator of the entity's operating performance, or to cash flow from operating activities (as determined in accordance with generally accepted accounting principles) as a measure of liquidity. These measures are believed to be, but may not be, comparable to similarly titled measures used by other companies.

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000
Operating income	\$ 9,233	\$11,737	\$12,929	\$17,961
One time charges(1)	--	245	--	449
ADJUSTED OPERATING INCOME	9,233	11,982	12,929	18,410
Add:				
Depreciation and amortization	7,431	4,933	15,283	9,592
Non-cash compensation	233	243	309	562
OPERATING CASH FLOW	16,897	17,158	28,521	28,564
Corporate cash expenses	2,984	2,432	5,789	4,802
BROADCAST CASH FLOW	\$19,881	\$19,590	\$34,310	\$33,366

(1) Adjusted to exclude charges in 2000 related to the phase-out and winding up of the Company's direct mail operations

Broadcast cash flow was \$19.9 million for the second quarter of 2001, compared with \$19.6 million for the prior-year second quarter. Broadcast cash flow was \$34.3 million for the first half of 2001, compared with \$33.4 million for the prior-year period. The increase in broadcast cash flow for both the current quarter and year-to-date is attributable to the stations acquisitions completed during the last quarter of 2000.

CAPITAL, FINANCING AND LIQUIDITY

Edgar Filing: LIBERTY CORP - Form 10-Q

At June 30, 2001 the Company had cash of \$21.6 million and an unused line of credit of \$100 million. The Company anticipates that its primary sources of cash, those being current cash balances, operating cash flow, and the available line of credit will be sufficient to finance the operating requirements of its stations and their anticipated capital expenditures, for both the next 12 months and the foreseeable future thereafter.

CASH FLOWS

The Company's net cash flow used in operating activities of \$110 million for the first six months of 2001 compared to cash provided of \$8.0 million for the same period of 2000. The decrease in cash provided by operating activities is attributable to the \$135 million of taxes related to the sale of the Company's insurance operations that were remitted to taxing authorities during the first quarter of 2001. The Company's net cash used in investing activities was \$3.6

12

13

Management's Discussions and Analysis continued

million for the six month period ended June 30, 2001, as compared \$53.3 million for the same period of 2000. The decrease in net cash used in investing activities is attributable to the acquisition of KCBD during the first half of 2000 with no corresponding acquisitions during the first half of 2001. Net cash used in financing activities for the six months ended June 30, 2001 was \$13.4 million compared to net cash provided by financing activities of \$35.5 million for the first six months of 2000. The decrease in net cash provided by financing activities is due mainly to the absence of net borrowings in 2001 as compared to 2000, and the absence of net cash provided by discontinued operations.

NEW ACCOUNTING PRONOUNCEMENTS

During the second quarter of 2001 the Financial Accounting Standards Board (FASB) issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement No. 141 requires that the purchase method of accounting be used for business combinations initiated after June 30, 2001. The Company does not believe that Statement No. 141 will have a material effect on its financial statements. Statement No. 142 requires that goodwill and certain other identified intangibles no longer be amortized to earnings, but instead be reviewed for impairments. The amortization of goodwill and certain other identified intangibles ceases upon adoption of the Statement, which for most companies, will be January 1, 2002. The Company has not yet determined the extent of the effect of Statement No. 142, but believes that it will have a material impact on its financial statements as its reported amortization expense will be significantly reduced in future periods.

FORWARD LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information contained herein or in any other written or oral statements made by, or on behalf of the Company, is or may be viewed as forward looking. The words "expect," "believe," "anticipate" or similar expressions identify forward-looking statements. Although the Company has used appropriate care in developing any such forward looking information, forward looking information involves risks and uncertainties that could significantly impact actual results. These risks and uncertainties include, but are not limited to, the following: changes in national and local markets for television advertising; changes in general economic conditions, increasing competition in the Company's markets; and future regulatory actions or

Edgar Filing: LIBERTY CORP - Form 10-Q

conditions, effecting either the television broadcasting industry as whole or specific to the markets the Company serves. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future developments, or otherwise.

13

14

PART II, ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- a. The annual meeting of shareholders of the registrant was held May 8, 2001.
- b. The following individuals were elected to serve for one-year terms: Frank E. Melton, and John H. Mullin, III. The following individuals were elected to serve for three-year terms: Edward E. Crutchfield, John R. Farmer, and William O. McCoy.
- c. Matters voted upon at the annual meeting were as follows:

	For	Against	Withheld/ Abstentions	Br Non

To elect as director:				
Edward E. Crutchfield	14,598,801	--	2,847,763	
John R. Farmer	14,598,801	--	2,847,763	
William O. McCoy	14,598,801	--	2,847,763	
Frank E. Melton	14,594,051	--	2,852,513	
John H. Mullin III	14,598,801	--	2,847,763	
To approve Ernst & Young as independent auditors:	17,341,788	69,138	35,638	

- d. There were no settlements between the registrant and any other participants.

PART II, ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

- a. A list of the exhibits filed with this report is included in the Index to Exhibits filed herewith.
- b.
 1. The Company filed a current report on Form 8-K dated May 8, 2001 with respect to the press release announcing its first 2001 operating results.
 2. The Company filed a current report on Form 8-K dated May 8, 2001 with respect to The Liberty Corp. declaring a regular quarterly dividend of 22 cents per share on its common stock, payable on July 3, 2001 to shareholders of record on June 15, 2001.

Edgar Filing: LIBERTY CORP - Form 10-Q

INDEX TO EXHIBITS

EXHIBIT 10 \$100 Million Credit Agreement Dated as of March 21, 2001

EXHIBIT 11 Consolidated Earnings Per Share Computation (included in Note
7 of Notes to Consolidated and Condensed Financial Statements)

14

15

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE LIBERTY CORPORATION

Date: August 9, 2001

(Registrant)

/s/ Howard L. Schrott

Howard L. Schrott
Chief Financial Officer

/s/ Martha G. Williams

Martha G. Williams
Vice President, General Counsel and Secretary

15